

THE GOAL:

**Repurpose Fort Lyon
and Create Solutions for
Veteran and Chronic Homelessness**

CHALLENGE:

Unused capacity at Fort Lyon

- **The Fort Lyon VA Hospital provided a caring community to veterans for over 100 years until 2002 when the property was transferred to the State.**
- **In 2002, the VA issued a Quitclaim deed to the State of Colorado so that the facility could serve as a prison for the growing inmate population.**
- **In FY2011-12, with prison populations declining by 131 inmates per month, the State decommissioned the Fort Lyon correctional facility.**

The Cost of NOT Repurposing Fort Lyon

Maintenance Mode:

- Annual maintenance cost = \$1.7 mil
- Preserves infrastructure
- Protects state interests

Mothball Mode: Infrastructure will deteriorate;

- One-time closure costs = \$326,500
- Annual liability/property insurance premium = \$55k
- Infrastructure will deteriorate (includes historic buildings)

It is expensive to leave Fort Lyon unoccupied.

CHALLENGE:

Inability to adequately deliver services to the homeless community

- **In order to recover homeless individuals, there is a tri-fold need for housing, supportive services for substance abuse and mental illness, and vocational training. There is currently no such delivery of comprehensive services in rural areas.**
- **Without immediate access to such services, chronically homeless individuals will remain homeless.**
- **Many homeless individuals struggle to recover within the familiar surroundings of the urban community which currently enables them. They need a fresh outlook in order to begin a fresh start. The Denver Housing Authority evicts 56% of formerly homeless veterans.**

The Cost of Leaving a Person Homeless

Costs	Street Living	Ft. Lyon (1)	Annual NROI
Medical	\$17,381	\$4,550	\$12,831
Jail	\$1,798	0	\$1,798
Shelter (2)	\$13,688	\$8,500	\$5,188
Detox	\$10,373	\$4,550	\$5,823
Total	\$43,240	\$17,600	\$25,640
<i>Median Number of Patients Served</i>			200
<i>Sustained success rate after 3-years</i>			93%
<i>Annual Net Return on Investment- Ft</i>			\$4,769,040

(1) Per Person cost @ 200 clients over 3 yrs

(2) Homeless Shelter cost \$25/nite @ 278 nites annually and Ft Lyon Shelter cost includes maintenance & operations of entire campus

It is expensive to leave people on the streets.

THE OPPORTUNITY:

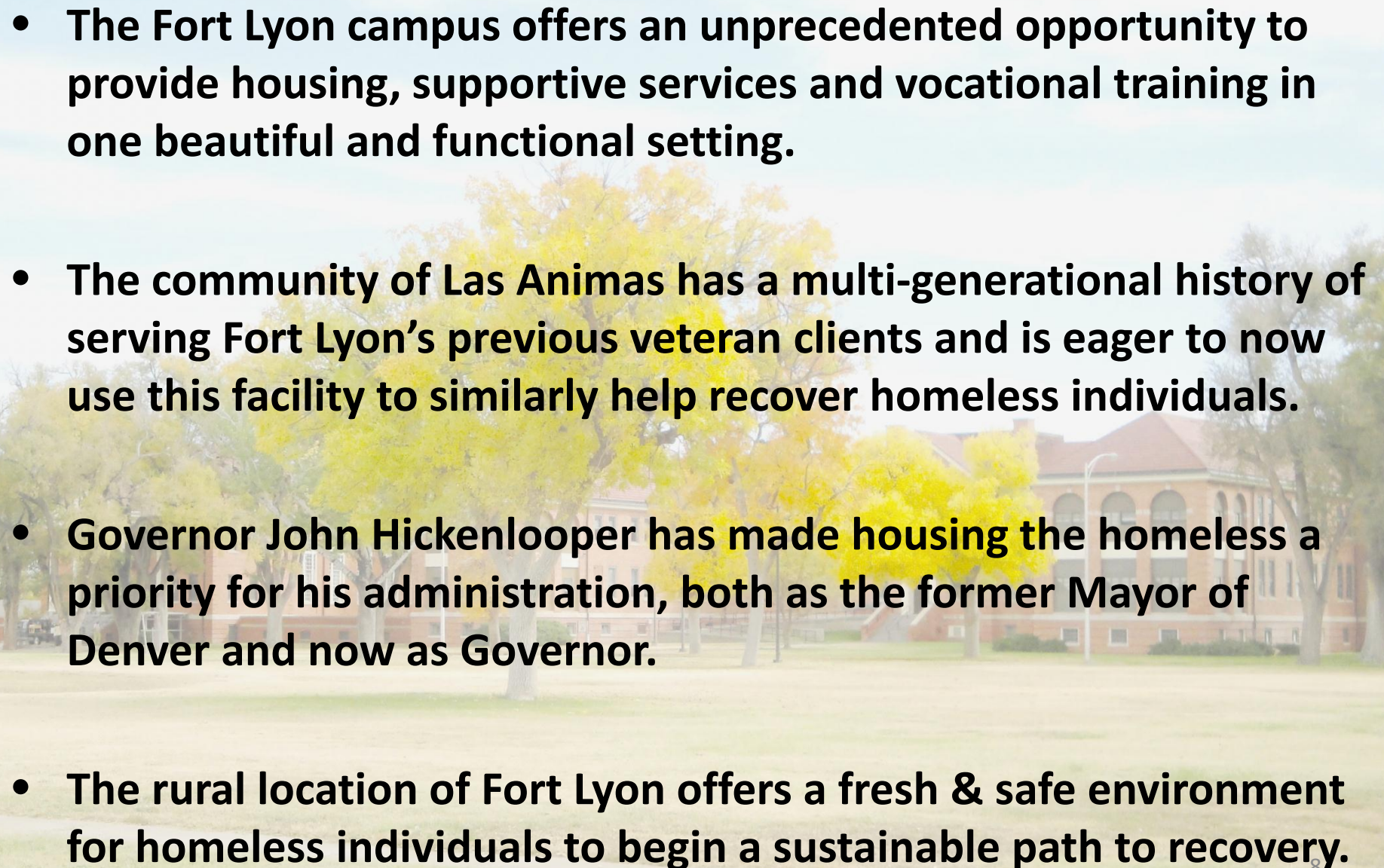
Repurpose the Historic Fort Lyon Campus to provide a Gateway to Permanent Housing for Homeless Individuals



Fort Lyon is...

- A historic VA hospital
- A beautiful campus on 500 acres
- Embedded in a community with a tradition of caring



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- **The Fort Lyon campus offers an unprecedented opportunity to provide housing, supportive services and vocational training in one beautiful and functional setting.**
 - **The community of Las Animas has a multi-generational history of serving Fort Lyon's previous veteran clients and is eager to now use this facility to similarly help recover homeless individuals.**
 - **Governor John Hickenlooper has made housing the homeless a priority for his administration, both as the former Mayor of Denver and now as Governor.**
 - **The rural location of Fort Lyon offers a fresh & safe environment for homeless individuals to begin a sustainable path to recovery.**

Case Study: Harvest Farm

- A working farm in Wellington, Colorado owned & operated for 20 years by the Denver Rescue Mission.
- A recovery path for urban homeless individuals which provides a fresh start in a rural setting.



The Proposal - Summary

We propose that Colorado invest in a 3-year “Housing First” demonstration project to provide transitional housing coupled with supportive services and job training to provide a gateway for homeless individuals to stabilize their lives and attain permanent housing.

We propose that, with support from Federal partners, this demonstration occur at Fort Lyon.

The Proposal - Specifics

- **In partnership with the Colorado Coalition for the Homeless (CCH), we will identify and engage Colorado's most chronic homeless individuals.**
- **We have requested of HUD to be allowed to project-base Section 8 vouchers and HUD/VASH vouchers to enable us to provide homeless individuals immediate access to housing. Fort Lyon becomes their gateway to permanent housing elsewhere.**
- **Working with the local Federally Qualified Health Clinics, CCH will ensure that these individuals are provided with needed supportive services – including substance abuse and mental health treatment – and primary care to stabilize them and begin their permanent recovery.**

The Proposal (continued 2)

- **Working with the local Otero Junior College, we will provide remedial classroom instruction and vocational training to both our homeless clients and the general population. We will utilize Fort Lyon's existing kitchen and classrooms for culinary training and vast agriculture campus for both vocational and therapeutic purposes.**
- **After at least one-year of residency at Fort Lyon, clients will be eligible to receive a Section 8 housing voucher to relocate back to permanent housing in another community. We will utilize existing housing assistance and workforce placement resources to seamlessly transition these individuals into a stable and productive role within their community of choice.**

Who will own the Ft Lyon facility?

- After the VA closed the facility in 2002, the State assumed ownership to assist the local community and meet the state's growing prison population. The Quitclaim deed includes a Reversion Clause that states: *"If the property is used, at any time, for any purpose other than for a correctional facility, all right, title and interest in the property shall automatically revert to the Grantor."*
- There is a legal question as to whether the VA, as Grantor of the Reversion Clause, can opt NOT to enforce that clause and thus deny transfer of the title back to the federal government.
- The VA has expressed no interest in resuming ownership of the facility, and has verbally approved Colorado's request to use the facility for non-prison purposes.
- If the State retains ownership of the facility, then we propose to lease the facility to Bent County in order to provide direct oversight by the community.

Short-term Timeframe

(through June 2014)

- **Colorado will dedicate \$5 mil from the Mortgage Settlement funds for controlled maintenance & supportive services through June 2014.**
- **Governor Hickenlooper is proposing additional funding of \$3.6 mil to operate the Fort Lyon facility through June 2014.**
- **Project base 40 HUD Section 8 vouchers and 40 HUD/VASH vouchers at Fort Lyon to provide immediate access to housing.**
- **Scope of Client Base:**
 - **April 1, 2013: 30 clients (staff occupancy to begin January 1)**
 - **July 1, 2013: 80 clients**
 - **July 1, 2014: 200 clients**
 - **Long-term capacity: 300 clients (requires HUD support)**

Long-term Timeframe


- **Secure additional housing assistance for the expanded client base.**
- **We are working with the US Department of Health and Human Services to assure integrated physical and behavioral health services are available through collaborative efforts with existing safety net providers.**
- **We have requested that HHS provide SAMSHA funding for a demonstration project to bridge the homeless community to the Health Reform Act starting in 2014.**
- **Explore other potential uses of the Fort Lyon campus that are compatible with this “transitional housing” model.**
- **Federal support will be necessary to support full occupancy.**

How will the “Mortgage Settlement” funds be used?

- **Housing & Vocational staff**
- **Clinical Staff & Therapist**
- **Security**
- **Food**
- **Furnishings**
- **Operational expenses**
- **Controlled maintenance**

Three-Year Budget

YEAR	ITEM	SETTLEMENT FUNDS	GENERAL FUND
FY12-13 Supp			
	Housing & Svcs	\$ 650,000	
	Operations & Maint		\$ 839,012
FY13-14			
	Housing & Svcs	\$1,251,422	\$ 615,000
	Operations & Maint		\$2,125,852
FY14-15			
	Housing & Svcs	\$1,868,211	\$1,050,000
	Operations & Maint		\$2,125,852



**This Administration remains
committed to the dual goals of
repurposing Fort Lyon and
helping our homeless population.**

**Your support is necessary to
achieve these goals.**